

Water and Light Advisory Board
January 4, 2007

A meeting of the Water and Light Advisory Board was held January 4 at 7:00 a.m. at the Administration office downtown. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Ernie Gaeth, Member
Greg Macias, Member
Dan Dasho, Water and Light Director
Mike Schmitz, Engineering Manager
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Tad Johnsen, Power Production Superintendent
Jim Windsor, Manager Rates/Fiscal Planning
Tina Worley, Utility Services Manager
Marilyn Thorpe, Administrative Support Supervisor
Robert Roper – Member, Excused
Lori Fleming, Finance Director

Win Colwill, League of Women Voters - visitor
Dick Parker - visitor

APPROVAL OF THE December 7, 2006 MEETING MINUTES: The minutes of the December 7, 2006 meeting were approved with a motion by Ernie Gaeth and second by Tom Baumgardner.

FINANCIAL REPORT:

a) Lori Fleming, Finance Director for the City of Columbia was introduced to the Board. She had been invited to appear before the Board to answer questions about the monthly financial statements. Ms. Fleming explained to the Board that the auditors come in after Thanksgiving and are here until January. She said during the time they are here the Finance Department is understaffed and unable to keep up with the day to day operations and cannot provide the monthly financial statement that the Board requests. She asked if it would be okay to use the September numbers for October and November and show the adjustments in later statements.

John Conway said in essence that starting in October the Finance Department is preparing for the auditors and would only be able to provide estimated statements through December and that a catch-up adjustment would be reflected in the January statement. Lori said if the auditors have not given the okay for January that it might be estimated as well.

Lori suggested that the W&L Board give the Finance Department a check-off list of what they require. She said she would like to make proposals back to the Board as to what the Finance Department can provide.

Ernie Gaeth said the Board should receive a materially accurate report each month. Lori said the Board would have something each month even if it had to be adjusted later on.

Lori said Finance should be able to get a revenue and expense statement each month to the Board. Tom Baumgardner asked Lori if she were understaffed. Lori said she needed to look at the processes that are now being done in the Finance Department and maybe try to streamline some of them and try to get the work load re-allocated. Lori said by March there should be a final audited report.

John asked if the statements will get trued up by March. Lori thought they would be except for the accruals.

b) FY07 – Revenue and Expense - Jim Windsor provided the Board with Revenue and Expense information for the first quarter. An estimate of \$4.8 million for December Purchased Power was included. Jim said there were no major surprises and that revenues and expenses are at reasonable levels for the first part of the fiscal year.

Jim said that Council had approved \$7.5 million dollars for Purchased Power in January. He said this would be reflected in the March financial statement.

POWER PLANT REPORT:

- a) Jim Windsor provided a bar graph outlining the costs for Columbia Energy Center; MISO; Local Coal; Nearman; Sikeston and Ameren. This was done to coincide with the information given to the Board at last month's meeting that had been in a spreadsheet form.
- b) Mike Schmitz told the Board that he had been contacting various consultants in regard to the Integrated Resource Plan (IRP) that the Board had recommended be done. The Board had requested that the consultant not have any stake in the outcome of the study. Mike said that he had not been able to talk to anyone that would not potentially be involved in the design/build phase of the project. He said he would continue to check out consultants.
- c) Mike said that there would need to be an IRP on the Master Water Plan. He said he would keep the Board informed on the matter.

ENGINEERING:

- A. 36" Water Main – Mike Schmitz said all three creek crossings were done. He said they were now in the process of laying pipe on private property. He said the tie-in with the existing 36" main should take place at the end of February.
- B. 161 kV Line – Mike told the Board that all the structures were in place and that a guard wire had been placed over Highway 63 and that the project was proceeding as planned.
- C. Well Field Main – Mike said they were still waiting for the easement from the Missouri Department of Resources. He said the specs and drawings are done now they just need the easement.

WATER DIVISION: Nothing to report

ELECTRIC DIVISION: Nothing to report

UTILITY SERVICE DIVISION REPORT: Tina Worley informed the Board that the Renewable Energy Conference hosted by W&L would be held at the University of Missouri, March 28, 2007.

Tina updated the Board on the Federal Energy Policy Act of 2005. The PURPA Standards and Resolutions – The Federal Energy Policy Act of 2005 placed some requirements on non-regulated utilities by amending the Public Utility Regulatory Policies Act of 1978 (PURPA). Five standards were incorporated into PURPA. The five standards to be reviewed by PSC and non-regulated utilities are:

- Smart Metering
- Interconnection
- Net Metering
- Fuel Diversity
- Fossil Fuel/Generation Efficiency

Tina said public hearings and work sessions would have to be held on the five standards within the next 8 months. The standards will be reviewed by Council at their January 16 meeting. They have to pass a resolution authorizing staff to review the standards and to set public hearings on the standards. Tina said they would try to group some of the standards together to reduce the number of public hearings. Proposed are three hearings, Net Metering and Interconnection at one, Fuel Diversity and /Fossil Fuel/Generation Efficiency at the second one and Smart Metering at the third. She said a Custodian of Record needed to be appointed as well as a Public Hearing Officer. The first hearing is tentatively set for the week of February 19. Tina said a location would need to be secured for the hearings and suggested that the Council Chambers would be a good place to hold them. Tina said it is important to get the public's input on the issues.

NEW BUSINESS: Marilyn Thorpe noted that Ernie Gaeth and Tom Baumgardner's terms as Board members expire this year. She will send applications to them.

OLD BUSINESS: There will be a groundbreaking ceremony for the Landfill gas project in Jefferson City, MO. The Board will be informed of the date and time.

Next meeting date: A February 1, 2007 meeting is planned. Ernie Gaeth said he would not be available for the meeting.

Meeting adjourned at 8:35 a.m.

Respectfully submitted,